Headquarters U.S. Air Force

Integrity - Service - Excellence

Performance Based Remediation Observations & Lessons Learned

AFCEE Strategic Acquisitions

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U.S. AIR FORCE

Overview

- Definitions
- Details
- Observations, Tips & Reminders

Definitions

- We have observed inconsistencies / misinterpretations of the definitions in the RFP; therefore, please ***read the specific RFP*** that you are proposing on carefully
- If there is uncertainty on a definition or any aspect of the RFP, please ask the CO

Definitions

- **Remedy in Place (RIP) –when a final (i.e. pursuant to a signed Decision Document or DD) remedial action, approved by the USAF has been installed or active remediation initiated at the site and has been verified to be operating properly and successfully. For some Sites, achieving RIP may not require any active remediation activities but would require USAF approval that the remedy is operating properly (e.g. MNA).**
- **Response Complete (RC) –The milestone marking the achievement of all remedial action objectives of the final DD and the termination of Remedial Action Operations (RA-O)**

For example:

- **A site in MNA that has not achieved target levels would be in RIP**
- **Once target levels are reached and monitoring is required to ensure protectiveness is maintained (i.e., verification of no rebound), it would be RC**

Definitions (cont.)

- **Site Closeout (SC) – signifies when the Air Force (AF) has completed all active management and monitoring at an environmental cleanup site, no additional environmental cleanup funds will be expended at the site and the AF has obtained regulatory concurrence.**
- **For practical purposes, SC occurs when cleanup goals have been achieved that allow unrestricted use of the property (i.e., no further Long Term Management (LTM), including institutional controls, is required) and that all site decommissioning has been completed,**

For example:

- **No Further Action (NFA) and/or No Further Remedial Action Planned (NFRAP) may not equal unrestricted use – proposal must be clear if closure allows unrestricted use or not when using these terms**
- **Simple requirements such as signage or five-year reviews required to ensure protectiveness even if no monitoring is required is equivalent to LTM – therefore when these are**

DETAILS

- Optimized Exit Strategy
- Performance Model
- Business Case Analysis
- Risk Mitigation Approach—Plan “B”
- Rough Order of Magnitude (ROM) Estimate

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Execution of Performance Based Remediation

Optimized Exit Strategy

- What is it and how is it used?
  - ✓ An Optimized Exit Strategy (OES) is required for any site that is not taken to SC status
  - ✓ It is used as the framework to advance toward or achieve SC, during or post POP
- Expectations in the Proposal:
  - ✓ Business case for why the site is not being proposed for SC
  - ✓ Description of anticipated structure and elements in the OES
  - ✓ Performance model describing what monitoring data are likely to reveal when collected during OES implementation with metrics that demonstrate how performance has been optimized
  - ✓ Integrated Management Schedule (IMS) that reflects delivery of the OES in the first year of the Task Order (TO), implementation of the OES, and delivery of the OES final

Optimized Exit Strategy (cont.)

- **Expectations During TO Implementation:**
  - ✓ **Provide Final OES during first year of the TO**
  - ✓ **Implement elements of the OES that take place during the TO POP**
  - ✓ **Provide monitoring reports that demonstrate OES is performing in accordance with performance model**
  - ✓ **Implement course corrections when monitoring reports indicate remedy is not performing in accordance with performance model**
  - ✓ **Provide Final OES Report at the end of the POP that documents what was implemented, what remains to be implemented, and any modifications to the OES arising from performance to date.**

Performance Model

- What is it and how is it used?
  - ✓ The performance model is a predictive model indicating how concentrations and /or mass will be reduced over time, or how annual costs will be minimized over time with the proposed approach
  - ✓ The performance model in the proposal will be used to evaluate how well the offeror understands the technology and site conditions, as well as serve as a check against the offeror's estimated life-cycle cost savings (i.e. Sub-Factor 1 in the evaluation criteria)
  - ✓ The performance model in the TO implementation will be used to establish the quantitative metrics for the Milestone Payment Schedule (MPS)

Performance Model (cont.)

- **Expectations in the Proposal:**
  - ✓ **Qualitatively describe how costs and risk will ramp down over time**
  - ✓ **If the OES is based on status quo, the model should indicate why the current operation(s) represent the lowest cost possible under conditions**
- **Expectations During TO Implementation:**
  - ✓ **Quantitatively describe how costs and risk will ramp down over time (e.g., predict concentration reduction over time or mass flux over time as one means of setting payment milestones)**
  - ✓ **Include contingency planning with the estimated operating envelope and the actions to be taken when performance falls outside the envelope (e.g., may have decision logic for when proposed contingent actions are needed)**

Business Case Analysis

- What is it and how is it used?
  - ✓ A business case analysis is required whenever the offeror does not propose to take the site to SC to support rationale for the proposed end state
- Expectations in the Proposal:
  - ✓ At least semi-quantitative with reference to life-cycle costs, rather than simply stating it is cost prohibitive (for landfills, offeror is required to provide the estimated cost of exhumation)
  - ✓ Demonstrate achievement of SC during POP is cost prohibitive (e.g., exhuming a large landfill); or
  - ✓ Demonstrate SC is technically impracticable (e.g., contamination lies under an active facility or lies in a matrix that cannot be removed or treated)

Risk Management Approach

- What is it and how is it used?
  - ✓ Remediation activities rarely occur according to initial plans. Projects are most successful when consideration for human health and the environment risks and project execution risks relative to the proposed approach are anticipated and mitigated
  - ✓ The Air Force (AF) will use the Risk Management and contingency plan to assess the risk to achievement of performance objectives in the statement of objectives (SOO) for the firm fixed price proposed
- Expectations in the Proposal (all three should be included):
  - ✓ Offeror identifies significant risk factors with the proposed approach
  - ✓ Offeror has a plan to mitigate the risks by virtue of the design and/or assumptions made
  - ✓ Offeror identifies contingencies for the eventuality that the assumptions were not correct

Rough Order of Magnitude (ROM) Estimate

- What is it and how is it used?
  - ✓ The ROM is the estimated value of the TO based on AF assumptions of the most likely approach to meeting the minimum performance objectives
  - ✓ Is not indicative of, or limiting to, the total budget available for the TO
  - ✓ Offerors who propose significant advancement towards accelerated site completion (ASC) may exceed the ROM and still be selected
- Expectations in the Proposal:
  - ✓ The business case for the end state proposed should not be justified because of staying within the ROM
  - ✓ Sufficient detail of the proposed approach and assumptions must be provided to allow for AF determination that the cost is reasonable and realistic

Rough Order of Magnitude

Rough Order of Magnitude (ROM) Estimate

- **Rough Order of Magnitude (ROM) – As it stands, offerors have indicated the ROM prevented them from committing to more stretch goals.**
  - ✓ **Offerors will *NOT* be non-compliant if they exceed the PoP ROM**
  - ✓ **Proposals in excess of the Life-Cycle Cost (LCC) estimate *MAY* result in a deficiency**
- **Offerors are encouraged to offer stretch goals**
- **Provide best single approach for each site**

Observations

- Inconsistent discussion of risks, mitigation and contingencies
- Do not assume evaluators are familiar with installation(s), sites or proposed remedies
- No advantage to advertising company capabilities, knowledge or past successes; better to focus on proposed remedies during POP

Observations (cont.)

- Thoroughly read each specific RFP letter, SOO and all enclosures
- Thoroughly read all RFP amendments
- Do not act or depend on Industry Day briefings/information; only criteria to follow for a specific acquisition is that RFP

AFCEE Industry Day

Execution of Performance Based Remediation

Tips and Reminders:

- Proposal text, summary tables, and IMS should be consistent
- Integrated Master Schedules (IMSs) should have sufficient details (e.g., Air Force and regulatory review times, all key activities to achieve the objectives, etc.) to demonstrate achievement of performance objectives consistent with SOO definitions and performance standards
  - The date for achievement of the end state proposed must match the performance standard in Table 1 (e.g. AF and Regulatory approval of final document) and definitions (e.g. RIP, RC, SC)
  - The IMSs should demonstrate the critical path
  - The OES should be within first year of Sub-CLIN and OES Final Report at the end of the POP
- Payment milestones for documents demonstrating achievement of the performance objective must match the performance standard in Table 1 (e.g. AF and Regulatory approval of final document) and definitions (e.g. RIP, RC, SC) and match IMS & Summary Table

Tips and Reminders (cont.):

- Risk mitigation strategies, performance models and proposed metrics or milestones need to demonstrate an outcome or results orientation
  - Metrics for percentage of time operational provide limited value without also considering effectiveness of the system toward achieving the objectives during that operational period
  - Statements that “we will actively work with the regulators” do not convey what is being accomplished or how that will alleviate the issue/risk
  - Meeting minutes that document activities without demonstrated achievement of objectives are not a good metric for performance payment
- PBR Contractors for non-BRAC TOs will not be required to conduct the Five Year Reviews
- Linkage of the critical path schedule to key areas of risk for the risk management approach is a “recommended” best practice

Tips and Reminders (cont.):

- Any Sub-CLIN description involving multiple sites will require payment milestones by individual sites in order to support internal site reporting requirements
- All milestones should be chronologically sequenced by date completed for purposes of calculating the percentage of the Sub-CLIN
- Proposal needs to clearly communicate that firm fixed price is to achieve the objectives even if assumptions do not hold true

What We're Thinking

- Going towards virtual site visits/preproposal conferences and away from real time visits
- Performance Models for all sites
- We know the FTP site is painful, but we're working it and appreciate your feedback
- Reminder: The templates are an ever evolving product—READ the RFP

Reminder

Read the RFP Package Completely and Comply